App. F. IX-4

Previous References

1934-35
(C.7)

File No. 139

Serial Nos. 4

Later References.

PRESERVED Preserve

P-326

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 4

Part B for April 35

SUBJECT.

Rate of Cash bonus for the 4 per cent Conversion Loan of 1959-63.

WD 01965—GPB—15,000—7-7-34

G. 7139-34-4

FINANCIAL SECRETARY
29 MAR 1935
4352
GENL & REV.

FINANCE DEPARTMENT
2

U.O.No. 2809/S.L. Dated: 28th March 1935.

4% Conversion Loan 1953-63.

The currency of the cash bonus rates fixed for the conversion of the 6¼%, 6½% and 5½% Bonds and 5½% seven year savings bank fixed Deposits into 4% Loan of 1953-63 sanctioned by Government in Unofficial Note No. 2719/S.L. dated 15-3-1935 will expire on 31-3-1935 and the rates of cash bonus for the subsequent period have to be fixed. The amount of applications received for conversion from 16-3-1935 todate is Rs. 32,200/-. The major portion of this amount represents 5½% Bonds tendered for conversion.

I request that the rates of cash bonus etc, may be fixed as under for one month till the end of 30-4-1935 when they may be revised in the light of the then conditions. The existing and the proposed rates are:-

	Existing.	Proposed.
1. 5½% Bonds 1938.	3-1-0	2-14-0
2. 6¼% Loan 1940.	9-14-0	9-12-0
3. 6½% Loan 1941-51.	12- 6-0	12- 4-0
4. 5½% Seven years S.B.F.D.R.	2- 1-0 (and in addition 0-1-6 for each complete month after 1-11-1938 to date of maturity.)	1-14-0 (and in addition 0-1-6 for each complete month after 1st November 1938 /to date of maturity.)

I solicit early orders of Government in the matter.

Comptroller.

To

The Financial Secretary

to Government, with compliments.

Serial No.

5753

The present market rates of the several securities are noted below:--

1. 4% Loan 1953-63	Between	108	and 109
2. 5½% Loan 1938	,,	109	110
3. 6¼% Loan 1940	,,	118	119
4. 6½% Loan 1941-51	,,	120	121

The existing rates of cash bonus and the difference between the market rates of the 4% Loan and those of the old securities are noted below:--

	Existing rates of Cash Bonus	Difference between the market rates
5½% Loan 1938	3--1--0	Nil to 2-0-0
6¼ Loan 1940	9-14--0	9-0-0 to 11-0-0
6½% Loan 1941-51	12-6-0	11-0-0 to 13-0-0

The rates of cash bonus are very high, when compared to the difference in the present market rates, particularly in the case of 5½% Loan 1938. The Comptroller may perhaps be asked to state whether the rates of cash bonus for the 5½% Loan 1938 may not be reduced to Rs 2-0-0 instead of to Rs 2-14-0 as suggested by him. The cash bonus for the 5½% seven year fixed deposits will have to be similarly reduced.

Any ~~reduction~~ revision in the rates may be ~~effected~~ for a fortnight ~~in the first instance~~, as on previous occasions.

29-3-35

Fl Secy) 29.3.35

For the 5½% Loan we may reduce to 2-10-0 now and for the Fixed Deposits it will be one more less. The other items may be approved. The period may be a fortnight.

—Contn. Sheet.

30-3-35

Minutes Secretary

General and Revenue
Secretariat

No. 2847 S.L.
D. 3-4-35
Noted and returned
with compliments.

A. Sughavan
Comptroller
B/4 Sto

B
W
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